

MINUTES
STATE BUILDING COMMISSION MEETING
EXECUTIVE SUB-COMMITTEE

APRIL 19, 2004

The State Building Commission Executive Sub-committee met this day at 10:30 a.m. in Executive Conference Room, Ground Floor, State Capitol, Nashville, Tennessee.

STATE BUILDING COMMISSION SUB-COMMITTEE MEMBERS PRESENT

Dave Goetz, Commissioner, Department of Finance and Administration
John Morgan, Comptroller of the Treasury
Riley Darnell, Secretary of State
Dale Sims, State Treasurer

OTHERS PRESENT

Mike Fitts, State Architect
Georgia Martin, Department of Finance and Administration
Larry Kirk, Department of Finance and Administration
Charles Garrett, Department of Finance and Administration
Gloria Rittenberry, Department of Finance and Administration
Jurgen Bailey, Department of Finance and Administration
Janie Porter, Attorney General's Office
Dennis Raffield, THEC
Pat Haas, Bond Finance
George Brummett, Department of Finance and Administration
Annette Crutchfield, Legislative Budget Office
Bob King, Department of Finance and Administration
Jerry Preston, Tennessee Board of Regents
Chancellor Charles Manning, Tennessee Board of Regents
David Gregory, Tennessee Board of Regents
Keith Robinson, Tennessee Board of Regents
Sheri Lipman, University of Memphis
Shirley Raines, University of Memphis
Charles Lee, University of Memphis
Bill Lofton, University of Memphis
Kevin Roper, University of Memphis
Robert Bumbalough, Department of Human Services
Joe McBee, Department of Human Services
Judy Gayle, Department of Human Services
Nancy Blevins, Department of Finance and Administration
Jim Gordon, Department of Education
Tom Fusco, Department of Education
Karen Hale, Comptroller's Office
Ken Scalf, Department of Finance and Administration

Commissioner Goetz called the meeting to order at 10:32 a.m. and requested action on the following matters as presented by State Architect Michael A. Fitts.

* * * * *

DEPARTMENT OF ENVIRONMENT & CONSERVATION

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Davidson County – 47.56 +/- Acres – 1701 Baker's Grove Road, Long Hunter State Park – Trans. No. 04-03-004 (BM)</u>
Purpose:	Acquisition in Fee to alleviate potential negative impact on the Park and reduce security problems of development along Park boundaries.
Source of Funding:	State Land Acquisition Fund
Estimated Cost:	Fair Market Value or Not to Exceed \$350,000.00 Land Value
Estimated Value:	\$279,800.00
Owner(s):	Michael R. and Peggy D. Schroer or Third Party
SSC Report:	04-12-04. Jurgen Bailey summarized the transaction. Terry Bonham, agency representative, also advised that it may be necessary that a third party obtain an option on the property in order to act quickly. Staff referred to Sub-committee with recommendation.
SC Action:	04-19-04. Charles Garrett summarized the transaction. Sub-committee approved the request as presented. Final action.

DEPARTMENT OF HUMAN SERVICES

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: **Henry County – 1108 Tyson, Paris, TN – Trans. No. 04-04-901 (TH)**

Purpose: To provide the replacement office/shop and warehouse space for the Paris Tennessee Rehabilitation Center that was destroyed by the May 5, 2003 tornado in Henry County.

Term: October 1, 2004 thru September 30, 2014 (10 yrs.)

Proposed Amount:

<u>15,456 Square Feet</u>		
Annual Contract Rent:	\$102,000.00	@\$6.60/sf
Est. Annual Utility Cost:	\$ 21,638.40	@\$1.40/sf
Est. Annual Janitorial Cost:	<u>\$ 17,001.60</u>	<u>@\$1.10/sf</u>
Total Annual Effective Cost:	\$140,640.00	@\$9.10/sf

Current Amount:

<u>5,000 Square Feet (Temporary)</u>		
Annual Contract Rent:	\$21,600.00	@\$4.32/sf
Est. Annual Utility Cost:	\$ 7,000.00	@\$1.40/sf
Est. Annual Janitorial Cost:	<u>\$ 5,500.00</u>	<u>@\$1.10/sf</u>
Total Annual Effective Cost:	\$34,100.00	@\$6.82/sf

Type: New Lease - Negotiated

Lessor: City of Paris and County of Henry

Comment: The proposed lease will replace the facility destroyed by the May 2003 tornado and contains the following provisions:

- 1) Lessor shall construct 15,456 square of office/shop and warehouse space including interior build-out at no additional cost to the State of Tennessee
- 2) No cancellation during the entire lease term except for cause and/or lack of funding
- 3) State shall be responsible for the first \$200.00 for repairs and maintenance and the first \$250.00 toward any repair of the HVAC system
- 4) State shall be responsible for pest control
- 5) State shall have the option to renew for an additional ten year term at the reduced annual rent of \$46,368.00 at \$3.00 per square foot
- 6) Lessor shall be responsible for any roof repairs and maintenance at its sole expense

SSC Report: 04-12-04. Bob King summarized the transaction. Staff referred to Sub-committee with recommendation.

SC Action: 04-19-04. Charles Garrett summarized the transaction. Sub-committee approved the request as presented. Final action.

DEPARTMENT OF EDUCATION

CAMP CLEMENTS, DOYLE, TENNESSEE

- 1) Approved a project to **Demolish Old Administration Building** at Camp Clements, Doyle, Tennessee, subject to receipt of position report from the Tennessee Historical Commission.

Estimated Project Cost: \$80,000.00

SBC Project No. 162/003-01-04

TENNESSEE BOARD OF REGENTS

TENNESSEE TECHNOLOGY CENTERS, HOHENWALD AND MCMINNVILLE

- 1) Approved a request for a revision in scope and a reallocation of funding for **Roofing and HVAC Replacement** at Tennessee Technology Centers in Hohenwald and McMinnville, and authorization to award construction contracts to Turner Roofing Company of Crossville in the amount of \$181,000.00 for the McMinnville Base Bid plus Alternate #2, and to Maxwell Roofing and Sheet Metal of Nashville in the amount of \$184,500.00 for the Hohenwald Base Bid plus Alternates #1 and #2 based upon their low bids received March 31, 2004.

Estimated Project Cost: **\$ 440,000.00**
SBC Project No. [166/000-02-03](#)

TENNESSEE BOARD OF REGENTS

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property and WAIVER of ADVERTISEMENT as required by TCA 12-2-114 and TCA 12-2-115:

Location: **Carter County – 386 Highway 91, Elizabethton, TN – Trans. No. 04-03-922**

Purpose: To provide off-campus educational space for the Northeast State Technical Community College (NSTCC).

Term: January 1, 2004 thru December 31, 2008 (5 yrs.)

Proposed Amount: 12,396 Square Feet

Avg. Annual Contract Rent:	\$ 94,928.40	@ \$ 7.66/sf
Est. Annual Utility Cost:	\$ 17,354.40	@ \$ 1.40/sf
Est. Annual Janitorial Cost:	\$ 13,635.60	@ \$ 1.10/sf
Avg. Annual Effective Cost:	\$125,918.40	@ \$10.16/sf

Current Amount: 12,396 Square Feet

Annual Contract Rent:	\$ 86,772.00	@ \$7.00/sf
Est. Annual Utility Cost:	\$ 17,354.40	@ \$1.40/sf
Est. Annual Janitorial Cost:	\$ 13,635.60	@ \$1.10/sf
Total Annual Effective Cost:	\$117,762.00	@ \$9.50/sf

Type: New Lease – Negotiated

Purchase Option: No

Lessor: First Tennessee Private Industry Council, Inc.
J. B. Shepherd, Chief Executive Officer

SSC Report: 04-08-04. Jerry Preston summarized the transaction. He advised that the Lessor is a non-profit organization set up by local governments. He stated the facility has other educational components in the facility for education and training purposes. Staff asked for documentation as to the authority for not advertising. Janie Porter, Assistant Attorney General, stated that after review of legislative discussion, educational facilities were discussed as special and unique and that it appears this would fall into the category of unique space. Staff referred to Sub-committee with recommendation.

SC Action: 04-19-04. Charles Garrett summarized the transaction. He advised that the Attorney General's office has reviewed tapes regarding the legislative intent regarding unique space relative to the advertising process. Janie Porter advised the tapes had discussion regarding higher education. Charles Garrett stated the Tennessee Board of Regents has requested approval of the lease pursuant to TCA 12-2-114. Sub-committee approved the transaction as requested. Final action.

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL of the following USE AGREEMENT of interest in real property with WAIVER of ADVERTISEMENT and APPRAISALS and TERMINATION of an EXISTING USE AGREEMENT as required by TCA 4-15-102 and 12-2-112:

Description: **Shelby County – FedEx Forum, Memphis, TN – Trans. No. 04-02-016 (LW)**

Purpose: Requesting approval to terminate the existing University of Memphis Use Agreement at the Pyramid and execute a new Use Agreement for the use of the FedEx Forum Facility for the University's varsity basketball.

Grantee: City of Memphis and Shelby County

SSC Report: 04-08-04. Jerry Preston presented an Information Package including a Summary of Events, Summary of Major Terms of Grizzlies/University of Memphis Agreement at the FedExForum, Memphis, TN. Mr. Preston briefly summarized the documents in the package. Staff referred to Sub-committee for discussion.

SC Action: 04-19-04. Charles Garrett introduced the request and deferred to the TN Board of Regents and the University of Memphis for a transaction summary.

Chancellor Manning addressed the Sub-committee and stated the transaction was in the best interest of the State and the institution. Mr. Fitts passed out the *Summary of Major Terms of Grizzlies/University of Memphis Agreement at FedEx Forum* prepared by the Tennessee Board of Regents. President Raines was recognized. She stated the summary was correct excepting that the locker room will be built by a private donor who has come forward and project funds will not have to be used for the locker room. Secretary of State Darnell asked what the effect of moving would be cost-wise. President Raines responded that there would be no continuing obligation of the University for the Pyramid, and presented a summary of revenue projections. Comptroller Morgan noted that expenses go up based on CPI in the 3rd year. President Raines stated the City estimates a loss of \$1.3 million every year if the University remains in the Pyramid and that the City and County are trying to find another function for the Pyramid.

Jerry Preston stated they were asking the Subcommittee to refer to the full Commission for final approval on May 13. Comptroller Morgan made a motion to recommend to the full Commission for their favorable consideration. The motion was seconded and passed without objection.

DEPARTMENT OF FINANCE & ADMINISTRATION

SPECIAL ITEM

Review of a Request for APPROVAL of PROCEDURAL REQUIREMENTS and QUALIFYING CRITERIA for Acquisition of Leased Facilities in accordance with TCA 4-3-1009.

SSC Report: 04-12-04. Charles Garrett summarized the request. After review and discussion, Staff referred to Sub-committee with recommendation.

SC Action: 04-19-04. Charles Garret summarized the request and handed out an Information Paper identifying the Qualifying Criteria and Procedural Requirements for Acquisition of Leased Facilities. After review and discussion, Mr. Garrett requested Sub-committee's concurrence of the proposed guidelines. Sub-committee concurred in Finance and Administration's recommended guidelines.

DEPARTMENT OF FINANCE AND ADMINISTRATION

JAMES K. POLK STATE OFFICE BUILDING, NASHVILLE, TENNESSEE

- 1) Approved a request for a revision in funding and acknowledgment of the source of funding from \$1,968,000.00 to \$2,073,000.00 (\$105,000.00 increase) of a project for **Interior Modifications** at the James K. Polk State Office Building, Nashville, Tennessee.

Revised Estimated Project Cost: \$2,073,000.00
SBC Project No. 529/075-02-02

WAR MEMORIAL PLAZA, NASHVILLE, TENNESSEE

- 1) Mr. Fitts presented a request for approval of a revision in funding from \$8,050,000.00 to \$9,050,000.00 (\$1,000,000.00 increase), authorization to allocate funding and to proceed with a project for **Exterior Upgrades** at the War Memorial Plaza, Nashville, and authorization to award a contract to Ray Bell Construction Company, in the amount of \$7,786,000.00, including Alternates 1, 2 and 3, based on bids received April 6, 2004. He stated that the project bid about \$1.2 million over budget, including all the alternates. He explained that they had worked with the contractor who had offered a \$179,000 credit for a three month extension in time. He said that the contract required that the Legislative Plaza be fully operational by January 1, 2005 and he recommended acceptance of the deduction. Mr. Fitts noted that the Clerks of the House and Senate were not in agreement with the time extension. After discussion, the Subcommittee recommended acceptance of the time extension and corresponding deduction of \$179,000.

The Subcommittee questioned what would happen if the work was not finished by January 1, such that the normal functions would be impeded. Mr. Fitts responded that the contractor would incur \$1,000 / day in liquidated damages. He further commented that the low bidder, Ray Bell Construction, is a quality contractor and would not want to face their wrath. Comptroller Morgan stated that he recommended they think about a contingency plan when they get close to time. Mr. Fitts stated that, now that the contractor is on board, they can work with him on schedules of work and methods of keeping the Legislative Plaza operational. Comptroller Morgan also commented that when the leaks are fixed, it should alleviate the mold problem. Mr. Fitts commented that a \$224,000 deduction could be taken if they eliminated the work in the Vietnam Memorial courtyard. Secretary of State Darnell said they needed to go ahead and fix it now and do it right.

After general discussion, the Subcommittee approved the request as presented.

Revised Estimated Project Cost: \$9,050,000.00
SBC Project No. 529/045-01-02

STATE BUILDING COMMISSION

MINUTES OF THE STATE BUILDING COMMISSION EXECUTIVE SUBCOMMITTEE

- 1) Approved the Minutes of the State Building Commission Executive Subcommittee meeting held on March 22, 2004.

* * * * *

Following approval of the Consent Agenda, the meeting adjourned at 11:10 a.m.

CONSENT AGENDA

Approved the following real property transactions that have been reviewed and recommended for approval by Sub-committee staff:

- A. Agency: **University of Tennessee – Knox County**
Transaction: Lease Agreement
Provision: Waiver of Advertisement
- B. Agency: **Department of Transportation – Hamilton County**
Transaction: Disposal in Fee
Provision: Waiver of Advertisement and One Appraisal
- C. Agency: **Department of Safety – Hamilton County**
Transaction: Disposal in Fee
- D. Agency: **Labor & Workforce Development – Dyer County**
Transaction: Acquisition in Fee
Provision: Improvement Demolition
- E. Agency: **Labor & Workforce Development – Maury County**
Transaction: Lease Agreement
- F. Agency: **Environment & Conservation – Stewart County**
Transaction: Acquisition of Historical Easement as a Gift
Provision: Waiver of Appraisal
- G. Agency: **Environment & Conservation – Marion County**
Transaction: Acquisition in Fee
- H. Agency: **Environment & Conservation – Hamilton County**
Transaction: Acquisition in Fee
- I. Agency: **Environment & Conservation – Henderson County**
Transaction: Acquisition in Fee
- J. Agency: **Department of Children's Services – Knox County**
Transaction: Lease Agreement

A.

UNIVERSITY OF TENNESSEE

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property and WAIVER of ADVERTISEMENT as required by TCA 12-2-114 and TCA 12-2-115:

Location: **Knox County – Volunteer Boulevard and Todd Helton Drive, Knoxville, TN – Trans. No. 04-03-915**

Purpose: To provide employee replacement parking due to the construction of the University's Intercollegiate Aquatic Center.

Term: Five (5) Years (Upon Execution of Lease)

Proposed Amount: 92 Parking Spaces
Annual Contract Rent: \$19,800.00 @ \$215.22/space

Type: New Lease - Negotiated

Lessor: CSX Transportation

Comment: The proposed lease provides (1) 30-day notice of cancellation, (2) an annual CPI rental adjustment not to exceed 3-percent, and (3) the University will be responsible for lot maintenance and site improvements.

SSC Report: 04-12-04. Alvin Payne summarized the transaction. He advised that the University had previously leased the property and that in 1993 State Building Commission approval was given to acquire the property; however, the purchase was never accomplished. He stated the proposed lease would replace parking for employees currently on the Intercollegiate Aquatic Center construction site. He also advised that long term this need would relocate to Stephenson Drive and the lease would no longer be needed. Staff referred to Sub-committee for consent agenda.

SC Action: 04-19-04. Sub-committee approved the transaction as presented. Final action.

B.

DEPARTMENT OF TRANSPORTATION

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL of interest in real property with WAIVER of ADVERTISEMENT and ONE (1) APPRAISAL as required by TCA 4-15-102 and 12-2-112:

Description:	<u>Hamilton County – 5,906 Sq. Ft. – State Route 58, Riverside Parkway, Chattanooga, TN – Trans. No. 04-04-003 (GM)</u>
Purpose:	Disposal in Fee to remove a deed restriction requiring property be used for public purpose only.
Original Cost to State:	Unknown
Date of Original Conveyance:	1969, 1970 and 1971
Grantor Unto State:	Various Landowners
Estimated Sale Price:	Fair Market Value
Estimated Value:	\$21,00.00
Grantee:	City of Chattanooga
Comment:	The City requests this tract be released from the reversionary clause in the quitclaim deed and is asking to purchase the tracts from the State for fair market value.
SSC Report:	04-12-04. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee for consent agenda.
SC Action:	04-19-04. Sub-committee approved the transaction as presented. Final action.

C.

DEPARTMENT OF SAFETY

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL of interest in real property as required by TCA 4-15-102 and 12-2-112:

Description:	<u>Hamilton County – 1.45 +/- Acres and 2,000 Sq.Ft. Improvement – East 3rd Street and Cumberland Street, Chattanooga, TN – Trans. No. 04-03-002 (BM)</u>
Purpose:	Disposal in Fee of the surplus driver license testing station due to agency ceasing operations at this location.
Original Cost to State:	\$38,000.00 - Land
Date of Original Conveyance:	February 1986
Grantor Unto State:	Chattanooga Housing Authority
Estimated Sale Price:	Fair Market Value
Estimated Value:	
Grantee:	Pending Advertisement
SSC report:	04-12-04. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee for consent agenda.
SC Action:	04-19-04. Sub-committee approved the transaction as presented. Final action.

D.

DEPARTMENT OF LABOR & WORKFORCE DEVELOPMENT

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired and APPROVAL of IMPROVEMENT DEMOLITION:

Description:	<u>Dyer County – 0.24 +/- Acres with 1,231 Sq. Ft Improvement – 423 McGaughey Street, Dyersburg, TN – Trans. No. 04-03-006 (GM)</u>
Purpose:	Acquisition in Fee of property adjacent property for parking purposes.
Source of Funding:	Federal Funds
Estimated Cost:	Fair Market Value
Estimated Value:	\$40,000.00
Owner(s):	Dossie and Ellen Patterson
Comment:	The subject property is adjacent to the existing state facility.
SSC Report:	04-12-04. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee for consent agenda subject to the Tennessee Historical Commission approving the demolition request.
SC Action:	04-19-04. Sub-committee approved the transaction as presented. Final action.

E.

DEPARTMENT OF LABOR & WORKFORCE DEVELOPMENT

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: **Maury County – 2482 Park Plus Drive, Columbia, TN – Trans. No. 03-08-903 (RS)**

Purpose: To provide office and related space for local operations.

Term: January 1, 2005 thru December 31, 2014 (10 yrs.)

Proposed Amount: 3,000 Square Feet
Annual Contract Rent Including
Utility & Janitorial Cost: \$20,499.00 @\$6.83/sf
Total Annual Effective Cost: \$20,499.00 @\$6.83/sf

Current Amount: State-owned

Type: New Lease – Advertisement – Lowest and Only Proposal from (1) Proposer

FRF Rate: \$13.50 Per Square Foot

Purchase Option: Yes – Years 1 thru 10

Lessor: Richard Thompson

Comment: The proposed lease provides (1) Lessor will construct 3,000 square feet of office and related space including interior build-out at no additional cost to the State, (2) no cancellation during the first five years of the lease term except for cause and/or lack of funding and 180 days notice thereafter and (3) State's Option to Purchase.

SSC Report: 04-12-04. Bob King summarized the transaction. Chester Lowe, agency representative, advised that the building is a 56 year old Reed Act building, has maintenance problems and is too large for the Tax Division alone. He stated the Job Services and Unemployment Insurance Units have relocated to the Columbia Career Center. Larry Kirk advised there have been inquiries to purchase the property and that proceeds from a sale would be reinvested in another project. Staff referred to Sub-committee for consent agenda.

SC Action: 04-19-04. Sub-committee approved the transaction as presented. Final action.

F.

DEPARTMENT OF ENVIRONMENT & CONSERVATION

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, SURVEY and EXERCISE OPTION to ACCEPT an EASEMENT as GIFT, required interest in the following real property, with WAIVER of APPRAISAL:

Description:	<u>Stewart County – 225.67 +/- Acres (4 tracts) – Fort Donelson National Battlefield – Trans. No. 04-03-005 (BM)</u>
Purpose:	Acquisition of an Easement as Gift to assure the battlefield property remains in public ownership and protected from future development.
Source of Funding:	Gift
Estimated Cost:	Gift
Estimated Value:	\$461,000.00
Owner(s):	Civil War Preservation Trust
SSC Report:	04-12-04. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee for consent agenda.
SC Action:	04-19-04. Sub-committee approved the transaction as presented. Final action.

DEPARTMENT OF ENVIRONMENT & CONSERVATION

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Marion County - 2.0 +/- Acres – Sequatchie Cave State Natural Area – Trans. No. 04-03-003 (BM)</u>
Purpose:	Acquisition in Fee to provide protection for the federally endangered Royal Snail and to assure additional protection for other plants previously identified and protected under the State Natural Area Program.
Source of Funding:	State Land Acquisition Fund
Estimated Cost:	Fair Market Value or Not to Exceed \$16,500.00
Estimated Value:	\$20,000.00
Owner(s):	Trustees of the Town of Sequatchie (Charles S. Burnette, Jerry McCurry, James Vandergriff, Kenneth Barnett and Roy Kilgore)
SSC Report:	04-12-04. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee for consent agenda.
SC Action:	04-19-04. Sub-committee approved the transaction as presented. Final action.

DEPARTMENT OF ENVIRONMENT & CONSERVATION

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Hamilton County – 1,400 +/- Acres – Cumberland Trail State Park – Trans.. No. 04-03-008 (GM)</u>
Purpose:	Acquisition in Fee of property for the Cumberland Trail State Park and would be an addition to the adjacent N. Chickamauga Creek Gorge State Natural Area.
Source of Funding:	\$187,500.00 – State Land Acquisition Funds \$562,500.00 – Federal Funds
Estimated Cost:	\$750,000.00
Estimated Value:	\$750,000.00
Owner(s):	Bowater, Inc.
SSC Report:	04-12-04.
SSC Report:	04-12-04. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee for consent agenda.
SC Action:	04-19-04. Sub-committee approved the transaction as presented. Final action.

DEPARTMENT OF ENVIRONMENT & CONSERVATION

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: **Henderson County – 9.0 +/- Acres – Parker’s Crossroad – Trans. No. 04-03-007 (GM)**

Purpose: Acquisition in Fee to preserve the final piece of core battlefield property. The proposed site is contiguous to battlefield property and is threatened by development.

Source of Funding: \$70,000.00 – TN TEA-21
\$90,000.00 – American Battlefield Protection Program (ABPP)
\$40,000.00 – TN Wars Grant, City of Parker’s Crossroads
\$15,000.00 – Civil War Preservation Trust (CWPT)
\$55,000.00 – TN State Land Acquisition

Estimated Cost: \$250,000.00

Estimated Value: \$250,000.00

Owner(s): Charles and Alan Youngerman

SSC Report: 04-12-04. Jurgen Bailey summarized the transaction. Jurgen Bailey advised that the Civil War Preservation Trust will operate and maintain the property. Staff referred to Sub-committee for consent agenda.

SC Action: 04-19-04. Sub-committee approved the transaction as presented. Final action.

DEPARTMENT OF CHILDREN'S SERVICES

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: **Knox County – 413 Northshore Drive, Knoxville, TN – Trans. No. 04-01-906 (JS)**

Purpose: To provide office and related space for continued operations of the Knox County Community Service Agency

Term: July 1, 2004 thru June 30, 2014 (10 yrs.)

Proposed Amount: 7,418 Square Feet
Avg. Ann. Contract Rent
Incl. Janitorial Cost: \$86,790.56 @\$11.70/sf
Est. Annual Utility Cost: \$ 8,159.80 @\$ 1.10/sf
Avg. Total Ann. Effective Cost: \$94,950.36 @\$12.80/sf

Current Amount: 7,418 Square Feet
Annual Contract Rent
Incl. Janitorial Cost: \$81,598.00 @\$11.00/sf
Est. Annual Utility Cost: \$ 8,159.80 @\$ 1.10/sf
Total Annual Effective Cost: \$89,757.80 @\$12.10/sf

Type: New Lease – Advertisement – Lowest and Only Proposal from (1) Proposer

FRF Rate: \$14.00 Per Square Foot

Purchase Option: No – Multi-tenant Facility

Lessor: 413 Northshore Center, Current Lessor
Robert H. Sinclair, General Partner

Comment: The proposed lease provides (1) the Lessor will furnish water and sewer utilities and 2) the Lessor shall make improvements and upgrades at no additional cost to the State.

SSC Report: 04-12-04. Bob King summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 04-19-04. Sub-committee approved the transaction as presented. Final action.

Approved by: _____
M. D. Goetz, Jr., Commissioner
Department of Finance and Administration